



POLICY FOR DETERMINATION OF MATERIALITY FOR PRIMA INDUSTRIES LIMITED

Under Regulation 30(4) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 Read with Schedule III of the said Regulations.



Version Control

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1.	Policy For Determination of Materiality	v.1.0	29.07.2023	Policy document approved.



INDEX

SL NO	TITLE	PAGE NO.
I	PREAMBLE	4
II	OBJECTIVE	4
III	APPLICABILITY	4
IV	DEFINITION	4
V	CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION	4-5
VI	DISCLOSURE OF EVENTS	5-9
VII	TIME FRAME FOR DISCLOSURE OF INFORMATION	9
VIII	AUTHORIZATION FOR MAKING DISCLOSURES	10
IX	DISCLOSURE ON COMPANIES WEBSITE AND DISCLOSURE PRESERVATIPON PERIOD	10
X	REVIEW OF THE POLICY	10



PREAMBLE

Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 deals with disclosure of material events / information by the Company whose equity and convertible securities are listed and are required to make disclosure of events / information specified under the relevant Schedule of Regulation 30. The Regulation requires Company to frame a policy for determination of materiality, based on criteria specified in the Regulations and further to be disclosed on the website of the Company.

OBJECTIVE OF THE POLICY

The objective of this Policy is to serve as a guiding charter to the Management to ensure timely and adequate disclosure of events or information to the investor community under the Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company. Timely and adequate disclosure of accurate information on an ongoing basis is essential to ensure compliance in letter and spirit.

APPLICABILITY

This Policy shall be applicable to all the events relating to the Company as and when they fall under the criteria as mentioned in this Policy under the head DISCLOSURE OF EVENTS.

DEFINITIONS

- I. Board of Directors:** Board of Directors of Prima Industries Limited.
- II. The Company:** Means Prima Industries Limited.
- III. Regulation:** Means SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 as amended from time to time.
- IV. Compliance Officer:** The Officer appointed by the Board of Directors of the Company for the purpose of these regulations from time to time.
- V. SEBI:** The Securities Exchange Board of India.
- VI. Rules:** Rules made under the Companies Act, 2013.
- VII. Material Event:** Reasonably be expected to affect a company's stock price.
- VIII. Stock Exchange:** BSE where the Equity shares of the Company are listed.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;



- (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

DISCLOSURE OF EVENTS

The events to be disclosed by the Company are broadly divided into three categories:

Category A:

Covers the events that needs to be necessarily disclosed without applying any test of materiality.

Category B:

Covers the events that needs be disclosed by the Company, if considered material.

Category C:

Covers the information / events with major developments.

CATEGORY A:

Below are the details which the Company needs to disclose for the events that are deemed to be material:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

(i) acquiring control, whether directly or indirectly; or,
(ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -

(a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;

(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:



- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - b) any cancellation of dividend with reasons thereof;
 - c) the decision on buyback of securities;
 - d) the decision with respect to fund raising proposed to be undertaken
 - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the listed entity from stock exchange(s):
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
[(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty -four hours of receipt of such reasons from the auditor.
(7B) Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
(ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
 8. Appointment or discontinuation of share transfer agent.



9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - (i) Decision to initiate resolution of loans/borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. (a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

 - (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
 - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - d) public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;



- f) Appointment/ Replacement of the Resolution Professional;
 - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i) Number of resolution plans received by Resolution Professional;
 - j) Filing of resolution plan with the Tribunal;
 - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
 - l) [Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) Pre and Post net-worth of the company;
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
 - (ix) Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) Brief description of business strategy.
 - m) Any other material information not involving commercial secrets.
 - n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - o) Quarterly disclosure of the status of achieving the MPS;
 - p) The details as to the delisting plans, if any approved in the resolution plan.
17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
 - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

Category B:

Covers the events that needs be disclosed by the Company, if considered material.



1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Category C:

Covers the information / events with major developments.

Information/event with major development that is likely to affect business, like the following:

1. emergence of new technologies,
2. expiry of patents,
3. any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof
4. Any information which may be necessary to enable the investors to appraise their positions.
5. Any other market sensitive information or event determined as material by the Key Managerial Personnel or the Board of Directors of the Company.

TIME FRAME FOR DISCLOSURE OF INFORMATION

The Company will disclose all the material events/information and such other filings as required under the Listing Regulations as per the timelines prescribed thereunder.



AUTHORIZATION FOR MAKING DISCLOSURES

The Managing Director, Chief Financial Officer and Company Secretary and Compliance Officer of the Company are severally / jointly authorized for the purpose of determining materiality of an event / information and for the purpose of making disclosures to stock exchange(s) under this Policy.

DISCLOSURE ON COMPANIES WEBSITE AND DISCLOSURE PRESERVATION PERIOD

The Company shall disclose on its website all such events or information which has been disclosed to the Stock Exchange under this Policy, and such disclosures shall be hosted on the Website of the Company for a minimum period of 5 years and thereafter as per the Policy on preservation of Documents of the Company a disclosed on the Website.

REVIEW OF THE POLICY

The Board of Directors of the Company shall review the Policy on an Annual basis. The authorised person shall provide regular assurance to Board of Directors on the effectiveness of the Policy.